THE HONOURABLE SRI JUSTICE A.GOPAL REDDY

W.P.No.19347/2000

Dt.18-7-2007

M/s. Sri Raghurama Agencies, IBP retail outlet, Tanuku, West Godavari District, represented by its Proprietor Nuli Venkata Somaraju.

..Petitioner

V.

IBP Company Limited represented by its Divisional Manager, Sailok Complex, MG Road, Vijayawada-10

..Respondent.

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**Oral order:**

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The petitioner-Agency is a retail outlet of the respondent-company to sell its petroleum products at Tanuku, West Godavari District. The retail outlet was inspected by the officials of the respondent-company on 16-9-2000 and it was found that the variation in the density of HSD in Tank-1 was beyond the permissible limit as compared to the reference density entered by the petitioner leaving scope for belief that the product inTank-1 could possibly be adulterated. After collecting samples, sales were suspended till final decision is taken on the lab test reports. During another inspection made on 21-9-2000, while suspension of sales was in force, it was found that the petitioner was selling petrol to a few of his customers, purchased from unauthorized source, which was confirmed in writing by the staff present at the petrol bunk. The agreement entered into by the petitioner with the respondent prohibits sale of petroleum products purchased from un-authorized source and thereby caused damage to the reputation of the company amongst its consumers. A notice was issued to the petitioner on 3-11-2000 asking the petitioner to show-cause why license granted in his favour should not be terminated exercising the powers conferred under Cl.9(1) and 19 of the Dealership agreement dt. 12-8-1983. Questioning the suspension of sales and supplies of petroleum products of the petitioner outlet pursuant to the inspection conducted on16-9-2000, the present writ petition is filed.

Heard the learned counsel for the petitioner and Sri Deepak Bhattacharjee, learned Standing Counsel for the respondent.

This court while issuing notice before admission on 17-10-2000 issued interim direction to restore the sales. Since then the petitioner is supplying with the petroleum products and is selling the same to the public.

Learned Standing Counsel for the respondent submits that in view of the direction of this court dt. 17-10-2000, though the petitioner offered his explanation to the show cause notice dt. 3-10-2000, no orders

have been passed so far.

Having regard to the facts and circumstances of the case, and the impugned show cause notice is only a notice calling upon the petitioner to show cause why the license granted should not be terminated, it is suffice, in the interest of justice to direct the respondent to pass appropriate orders pursuant to the show cause notice and explanation offered by the petitioner within four weeks from the date of receipt of a copy of the order, after providing an opportunity to the petitioner. Resumption of sales pursuant to the direction issued by this court dt. 17-10-2000 shall abide by the final orders that may be passed by the respondent-company.

With the above direction, the writ petition is accordingly disposed of. No costs.

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A.GOPAL REDDY,J

Dt.18-7-2007
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